GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4262
ANSWERED ON:15.12.2000
PROMOTION OF GEM INDUSTRY
P.D. ELANGOVAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government had taken several measures to promote synthetic/artificial gem stone industry during the last two years;

(b) if so, the details thereof;

(c) whether the Government have any plan to omit Synthetic Gem Stone industries from the Core Gem Stone Industries Guild in India;

(d) if so, the details thereof and the reasons therefor; and

(e) the remedial measures taken by the Government to rehabilitate or to help those who are engaged in Synthetic Gem Stone Industries particularly in Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Rajasthan and Madhya Pradesh?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH):

(a) : Yes, Sir

(b) : Some of the important steps announced in the Exim Policy during the last two years including this year are:

i) Permission for import of Capital Goods under Export Promotion Capital Goods (EPCG) Scheme at 5% customs duty subject to ar export obligation equivalent to 5 times CIF value of capital goods on F.O.B basis or four times the C.I.F value of capital goods on Net Foreign Exchange (NFE) basis, to be fulfilled over a period of 8 years reckoned from the date of issuance of licence;
ii) Permission for personal carriage of gems & jewellery export/import parcels;
iii) Permission for export of gems and jewellery items by courier from selected ports up to a value of Rs. 20 lakhs per consignment. With effect from 1st April 2000 exports through speed post have also been permitted;
iv) Permission for duty free import of consumables required by the gems and jewellery industry to the extent of 1 % of the FOB value of gems and jewellery exports in the preceding year;
v) For Mangalsutras studded with synthetic gemstones, a lower value addition norm equal to plain jewellery has been prescribed.

Besides the above measures taken under the EXIM Policy, Govt. have also reduced the Customs Duty on rough synthetic stones to 15%. Value wise exports of cut & polished synthetic stones during the last two years are as under:

Year	Value of Exports (in U.S $ Millions)
1998-1999	2.41
1999-2000	2.62

Source: Gem and Jewellery Export Promotion Council (GJEPC), Mumbai

(c) : No, Sir. Government has not constituted any body under the name of `Core Gem Stone Industries Guild` in India.

(d) : Does not arise.

(e) : Continuous efforts are made to promote Synthetic or artificial gem stone industry so as to increase exports of these items. With a view to give boost to the synthetic stone industry the concerned State Governments have been requested to consider exempting the sale of synthetic gemstones from the levy of sales tax and other taxes like, Octroi, etc., as has been done in the states of Tamil Nadu, Maharashtra and Gujarat. Besides the Export Import Policy is being regularly fine-tuned by announcing new policy initiatives to boost the exports of gems & jewellery sector including exports of synthetic stones and jewellery studded with synthetic stones.